G. R. S. IX-5]

Previous references.

Preserved

1919

(G7)

File No. 264-19

Serial Nos. 6, 7, 43, 44, 445

Later references.

47289-19 ALSO.

P SDE

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 7

Part B for February 1920.

SUBJECT.

to mr B. Gundachar, B.A. B.L.,
compensation for the delay in the payment
of interest on the sums invested in conversion of
~~loan~~ bonds ~~by him~~ by him.

8:45. To

Mr. B. Gundachar, B.A.B.L., Shimoga. No. 7L50358 of 21.2.1920.
States that the comptroller has been authorised to pay
interest on the Savings Bank rate.

W D 1250—GPB—30,000 28-1-19

3(1)/47273/20.

G. R. S. III—1] 1919.

GENERAL AND REVENUE SECRETARIAT.

(67)

NOTES.

File No. 173-19

FILE HEADING.

~~War Relief Fund~~
The Mysore State Loan
of 1919-20.

From

No.	Dated	Received

Diary No.	Enclos.	Spare Copies.	Serial No.

BRIEF ABSTRACT OF LETTER.

NOTES AND ORDERS.

P.T.O.

NOTES—First Sheet.

"Today" D 1582 — 2

G.R.S. III—3]

Routine Notes.

76 181

[To be used only for notes, requisitions, etc., not intended for permanent record.]

Subject:- The question of issuing the new conversion Notes in favour of others than the holders:—

From the Comptroller
No no. Cl 159. d. 4.11.19.
resubmitting the batch of the notes of the new conversion Loan.—

The D.O. Letter no 132 of 13/10 October 1919. is not in the file. This may kindly be sent for working it up.

Subd
mkr
5/11.

Subd with draft
with Joint Secy's Remark on the 5/11. P.W.D. please put up suitable reply to mr Gandachar.—

(2) To the Stamp Signature of the Dewan ready of no. please submit the bond.

The previous papers are

put up

Subd with draft as regards no (1)
no (2) Separately Submitted.
mkr. to Joint Secy stating That the
5/11. Seal was submitted to Chief Secretary on 5/11

Please send ~~a spare copy~~ of the Draft ~~is~~ referred to in the Comptroller's letter ~~of~~ Oblig. } a copy of it

Dr. Previous papers Subd to and Jnember (1180/4/11)

mkr. 5/11.

The Comptr's letter on reply

5/11

Letter referred to in the Do no 132 not

put up.

Subd mkr 5/11/19

Get the necessary references from the personal Staff.

it was Subd to the Joint Secy.

at 5.10 P.M.

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

Sd.

G.R.S. III—3]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

Orders are solicited as to whether the view of the Govt. advocate should be communicated to Mr. Ferrando or not, & whether it has been taken by the Comptroller. Gazette containing the form of the Recog

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

G.R.S. III—3]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

Explanation for not submitting the case. Yesterday was a holiday.

18/11/19.

1) Draft prepd — (the original letter of Mr Ganachar is not in the file)

2) The facsimile signature seal is stated to have been received — and note prepd for the Secy's approval the provision to be adopted when are awaited.

Secy)

8.11.19

Secy

7.11.19

Issue the circular to the Secy

8/11/19.

12/7 6/XI

Dep

11/11

2 Mr B Ganachar. Org BA BL. Advocate Shimoga

No Fl 2831 d. 8.11.19.

States that the terms of the conversion Loan of 1919-20 do not provide for the issue of new notes to persons other than the holders of old notes who obtain in their names receipts in form No 2-2.

N.B. –Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

G.R.S. III—3]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

Letter d: 10-11-19
Letter from Mr B Gurudachar requesting for reasons given a reconsideration of the order passed — for compensation of the Losses of interest on his Loans due.

A copy of the letter from Mr B Gurudachar is placed in the file as per under Secretary's orders — Sdh

To the comptroller

Lr. Dis. No. H 2862 d: 11-11-19

4) Forwards — the letter from Mr B Gurudachar dt: 10/11/19. for original and requests him to explain the exact position to the Govt Advocate and obtain his opinion

The letter to the comptroller has been issued. and a copy of the Gurudachar's letter is placed in the file as per under Secretary's order

Subd
MKV
11/11

N.B. Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

Urgent

9 Draft & fair copy of a D.O to I.G. Comptroller with my Chandachar's letter re conversion bonds are herewith sent for issue from the branch. Please issue the same at once

Ks
11-11-19

Supdt Br II

10 Issue at once. Ack copy of Mr G's letter.

Copy to Mr Chandachar

KS
11/11

15 2 2
739

G.R.S. III—3]

G7 264-13

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

5

From the Comptroller

D.O. No. C.L. 174.S. 19.11.19.

~~Further~~ reference to ~~D.O.~~ No. F.L. 2862.S 11.11.19. forwards the opinion of the Govt Advocate on the question raised by Mr Garudachar -

S

12 Hon'ble Secretary's orders please put draft reply to Mr Garudachar for submission to Darbar.

13 The draft is put up for approval and signature or other orders

Subd 21/11.

14) Draft reply is submitted for order.

21/11 15) Kind reference is invited to clause 3 of the terms of the Govt Notn - Flag C - ~~Both~~ Mortgages in force up to 30th Septr 19 and ~~and~~ the Government Promissory Notes bearing interest from 1st Oct 19 appear to be due to holders upto 30-9-19 - I am not sure if the Govt Advocate gave due consideration to this clause in tendering his views.

16 It may perhaps be desirable to consult the Legislative Dept.

Recd 21/11

x cd A in his letter.

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

G.R.S. III—3]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

The copy of the Gazette containing the previous notification is put up.

N.B.- Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

G.R.S. III—3]

V739

Routine Notes. 26-4-18

[To be used only for notes, requisitions, etc., not intended for permanent record.]

18

The ~~later~~ notification differs from the ~~latter~~ former one in that the date in the ~~latter~~ former fixed for tendering the bonds for conversion is 30th September 1919 while that in the latter is 31st July 1919 —

*S

†J.

Subd
26/4 19

Secy's query - 9 25-11-19.

Sealed: direct

(A.G. hands 29-11-19)

Accordingly letter issued 10th.

~~Redistributed 26/4/19~~

~~Recalled and cancelled~~

The party would have preferred to complain of delay.

1479
29/11

Secy!

20 I should like to 29 Nov
have the relevant
clause discussed with
reference to Mr G's Contention

29/11/19

N.B. —Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

T.T.D.

G.R.S. III—3]

Routine Notes.

[To be used for minutes, decisions, instructions, etc., not intended for permanent record.]

21 One of the terms offered to holders of the 4½% War Loan of 1906 in Nov^r of 26.4.1919. Reg F was as follows:—

Para 3. Those who desire to avail themselves of the privilege of conversion shd tender their notes for conversion not later than the 31st July 19, when interest will be paid on them at 4% up to 30th Sept^r 19 inclusive, and new 5½% notes bearing interest from 1st Oct^r 1919 will be issued in lieu of them.

Interest for the half year ending 30th Sept^r 19 on the old notes, which was payable on 1st Oct^r was previously often paid earlier in the case of holders taking advantage of the offer of conversion.

The Comptr was asked to issue instrs to deny withholding for payment of holders & reps in the matter of proceeds and in clause 8 of his Notice of 8.8.19 Reg A. it was stated that cheques for interest due up to 30.9.19 will be made over to holders at the

Vide M. Chakravarti's Note on Main file.

File not readily traceable.

Subd matter 3/12

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

G.R.S. III—3]

Routine Notes. G7 28/7/19

[To be used only for notes, requisitions, etc., not intended for permanent record.]

time of delivery of the bonds—

In accordance with the option contained in the notification, Mr. Bandarkar applies whether tenders for conversion retain 4% rights—

On the 30th July 1919 Circular Notice was issued by Govt. extending the time for tenders of the old notes upto 30th Sept 1919; accordingly the date for payment of interest for the half year ending Sept 19 as well as for delivery of the new bonds was likewise extended—

A Clause 8 of the Govt Notice of 8.8.19 was retained in this latest Notice of 4.8.19 issued upon Govt's—

Mr. Bandarkar represents that payment of interest on the old notes up to for the half year ending 30th Dec

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

G.R.S. III—3]

Routine Notes. (7 July 18

[To be used only for notes, requisitions, etc., not intended for permanent record.]

on the 1st Oct. was not paid before 2nd inst, and claim compensation for the loss of interest on the amount payable at Savings Bank rate —

The Govt. Advocate who was consulted on the legal aspect of the case is of opinion that Mr. Candacharacannot as of right claim the cheque for interest on the old note on the 1st Oct. 19 for the following reasons.

A (1) The Conversion Act of 8. S. X. 19 is in the nature of an offer to the public, which ~~has been accepted by the holders of~~ ~~the Bonds~~ which is accepted by the daily action of presenting the new bonds carrying a higher rate of interest —

(2) Mr. Candachar having tendered the old bond for conversion according to the Note should be considered to have accepted the terms of that Note in entirety —

(3)

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

G.R.S. III—3]

Routine Notes. 37 2647-18

[To be used only for notes, requisitions, etc., not intended for permanent record.]

A

(3) Clause (8) of the said Notice states that cheques for interest due up to 30th Sept. will be made out to the holders at the time of delivery of the new notes.

(4) The Notice does not provide for delivery of the new notes on the 1st Oct. 19—

(5) As the new notes will not on 1st Oct. be ready for delivery the claim for payment of interest up to 30.9.19 had not arisen.

The points for consideration are firstly, whether the Currency Compliance Notice of 8.5.19 which provided the procedure for funding notes for conversion can modify or affect the promise made to the holders in the Currency Notes of 26.4.19. para 3 of which clearly states that

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

1739

G.R.S. III—3]

Routine Notes. 67761-18

[To be used only for notes, requisitions, etc., not intended for permanent record.]

interest on the old notes for the half year ending 30 9 19 will be paid on 31st Inst, calculated to 30th Sept 19 by a Cabl Order &c — (Page 2) —

Secondly whether apart from the said premium, the holder is debarred of his original right to claim interest on the old notes by 1st Oct in consequence of the delay in the ~~—~~ delivery of the new notes —.

1528
3/12

Yesterday)

18
29-11-19.
30.

I think the Court Advocate's view is correct and a short reply based on it may be put up.

It was impossible to make the new bonds ready on the days on which the old ones were tendered for conversion. The notification of 26-4-19 could possibly have promised the delivery of new notes as soon as the old notes were surrendered. The wording

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

Serial No.

of the notification however, left much to be desired. The Comptr who was authorised to issue detailed instructions to give effect to govt orders interpreted the notification in the only way in which it could be acted upon and the old bonds offered for conversion should be held to have been tendered subject to the conditions specified in the Comptrs Circulars.

2. There were difficulties & delays in getting the bond forms printed and some delay was also inevitable in making the bonds ready for delivery after obtaining the Dewans signature. Payment of interest for the half year ended with 20-9-19 was proceeded with along with the delivery of bonds and Mr. Ramachandra should as stated by the Govt. Advocate, be held to have agreed to this condition when he tendered his bonds under the Comptrs Circ.

3. Besides, the practical loss of the matter should not be lost sight of by Mr. Ramachandra. Before despatch delay some delay generally

NOTE—Contd. sheet.

G. R. S. III-2]

General and Revenue Secretariat.

GT File No. 2064 of 1919.

Serial No.

occur in such cases and some allowance must be made for it even by a creditor. However in this case Mr Cramer has no claim to compensation and a draft reply may be put up.

Sd/-
3-12-19

25 Dft. put up.

1568/9/12 Sd/- 6/12. Dewan

Sd/- 9-12-19

26 It is not clear why the paragraph relating to the payment of the interest already accrued and due at the time of the delivery of the new bonds was inserted by the Comptroller in his Notification of July 1919. Interest at 4 % may have been paid on due dates on such bonds. I should be glad to be favoured with the opinion of the Second Member on the opinion of the Government Advocate.

Sd/-
11-12-19

27 I request reference to terms of Govt Notification of 26. 4. 19. According to

DEWAN'S OFFICE.
Recd. on DEC 10 1919
Reg. No. 3901

NOTE—Contd. sheet.

WD A 1789—GPB—60,000—20-3-18—S.

1139

No

General and Revenue Secretariat.

File No. 264 of 1919.

Serial No.

this term, as its worded, interest upto 30.9-19 had to be paid and the new bond also delivered on any day prior to 31.7.19 on which a person surrendered his old bonds for Conversion - Delivery of new bonds on the date on which the old ones were tendered was impossible. The Compter were not directed to specially arrange for payment of interest upto 30.9.19, in respect of bonds offered for Conversion before the due date - 1.10.19 when new bonds and interest on old bonds were promised to be delivered and paid at the same time the Compter construed the order to mean that interest had to be paid along with the delivery of new bonds and submit to Court a copy of the Notification issued by him under the orders of Court directing him to issue subsidiary instructions. The Court Notification of 30.7.19 followed the phraseology of that of the 24th April 19. Under Cleared Chaos bonds were tendered for Conversion under Court Notification of 24.4-19 & the Compter's Notification of 8.5.19.

in accordance with Notification of 26.4-19

2922
18-12-19

Second Member

12-12-19

NOTE—Contn. sheet.

WD A 1789.—GPB—60,000—20-3-18—S.

General and Revenue Secretariat.

67 File No. 9634 of 1919

Serial No.

28 The Government Advocate does not appear to me to have paid sufficient attention to the terms of the Government Notification dated the 20th April and 30th July 1919. It was under these notifications that the conversion of the 4 per cent loan into a 5½ per cent loan with effect from the 1st October 1919 was sanctioned. Under the 1st notification the holders of the pro-notes were asked to tender their notes not later than the 31st July 1919 and it was announced that after their presentation interest up to 30th September would be paid and new bonds bearing interest at 5½ per cent from 1st October would be delivered. It will be seen that in this notification the pro-notes were required to be surrendered 2 months before the date of the issue of the new bonds and the reason for this is obvious. Some time was required for the preparation of the new bonds and a period of 2 months was fixed for the same. It is therefore plain that the intention of the Government under this notification was to pay the interest on the due date and issue the new bonds on the 1st of October. Otherwise the reason for the interval between the date of surrender and the date of issue of new bonds cannot be explained.

29 In the 2nd notification dated the 30th July, the provision which was made for the time that

NOTE—Contn. sheet.

WD A 1789—GPB—60,000—20-8-18—S.

Serial No.

may be occupied in the preparation of the bonds was unfortunately lost sight of and the bonds were required to be surrendered on the 30th September and it was stated that new bonds would be issued in lieu of them. No separate date has been fixed for the issue of the new bonds as in the original notification and the only interpretation that can be put upon the later notification is that the new bonds would be tendered either immediately on the surrender of the old bonds or soon after not later than the 30th September. It is true that in the ordinary course of business it is not possible to re-issue a new bond before the 30th September when the old bond was surrendered on the same date or a few days before. But it was the duty of the Government to have made provision for the delay as it did in the earlier notification.

30 Now in both these notifications under either of which Mr.Garudachar's bonds may be presumed to have been presented, there is no provision express or implied that interest already due will be paid on other than the due date. But in the notifications issued by the Comptroller dated the 5th May 1919 and 4th August 1919 a clause has been introduced to say that interest due on the 30th September 1919 will be paid by cheques which will be handed over at the time of delivery of the new notes. This clause must be read in connection

Serial No.

with the two notifications issued by the Government and when so read what is there in it to show that the new pro-notes were not intended to be delivered on the 1st of October? The inability of the Comptroller's Office to prepare the new notes cannot prejudicially affect the holders and postpone their right to receive the interest due to them to a date th which depends entirely upon the disinclanation or unwillingness of Comptroller's Office to work. The argument of the Government Advocate is that this condition - quite indefinite in its nature - forms part of the consideration for the payment of a higher rate of interest. But he loses sight of the fact that this notification does not form the basis of the contract. The bonds must be presumed to be tendered as I have already stated under either of the Government Notifications dated the 26th April and 30th July. Under these notifications the Comptroller was asked to issue subsidiary rules. He had no powers therefore to vary or modify the main provisions of the earlier Government notifications which as I have pointed out above contemplate payment of interest on the 1st of ---- October. The clause in the Comptroller's notification cannot be interpreted as postponing the date of payment and if it was intended to have that effect, it is clearly ultra-vires. In my opinion the contention of Mr.Garudachar does not appear to

NOTE—Contn. sheet.

1739

G. R. S. III-2]

General and Revenue Secretariat. | G.F. File No. 9124 of 1917.

Serial No. 31

The notification No.Fl.5825/GF.119-17-2 dated 26-4-19 as it stands promised to pay interest up to 30-9-19 and also to deliver new bonds on any day from 26-4-19 to 31-7-19 on which old bonds were surrendered for conversion. It was impracticable to have new bonds ready for delivery on the dates from 26th April 19 to 31st July 19 on which old ones were tendered. In these circumstances the Comptroller could only interpret the order to mean that interest up to 30-9-19 ~~and~~ had to be paid along with the delivery of new bonds on 1-10-19 or soon after. The Comptroller submitted a copy of his circular to Government and he was not told that he had misunderstood the order. If there was any mistake in his interpretation of the order there was enough time to tell him to revise his instructions. He sent a copy of his circular to Government on 8-5-19. In these circumstances his circular cannot be regarded as Ultra Vires.

2. It was not the intention to indefinitely delay delivery of new bonds or payment of interest. As I have already explained in my note dated 3.12.19 there was unavoidable delay in getting the form of bonds approved and printed and making them ready for delivery. A statement showing the important dates concerning the bonds tendered by Mr.GarudaChar and his relatives is appended. It will be seen that

NOTE—Contn. sheet.

1739

G. R. S. III-2]

General and Revenue Secretariat. | C-1 File No. 10 of 1919

Serial No.

having regard to the circumstances noted in the stat
ment the delay in payment of interest up to 30th Se
tember 19 was not so long or so unreasonable as Mr.
GarudaChar thinks.

Dewan

7.1.20

DEWAN'S OFFICE.
Recd. on JAN 9 1920
Reg. No. 45-95

NOTE—Contn. sheet.

O.P. 264-18

	Name of party tendering notes for conversion.	Nos. of bonds tendered.	Date of rect. of bonds. Upper halves.	Lower halves.	When returned a n d Why	When received back.	No. and date of cheque for interest.	Date of submission of new bonds to Dewan. for signature	When signed by the D e w a n.	Date on which new bonds were despatched to the Treasury.
	Kamalamma	63 & 64	15-7-19	18-7-19	(a) Applications returned on 16-7-19 for signature being attested two witnesses. (b) Bonds returned on 22-7-19 for signature being attested by 2 witnesses and for proof of age of majority.	(a) 24-7-19 (b) 26-9-19	335 dated 15-10-19.	29-10-19.	14-11-19	26-11-1919 (ackd. 29-11-19)
2.	B. Singaiengar	65 to 70	15-7-19	18-7-19	(b) for proof of age of majority.	25-10-1919.	355 dated 27-10-19.	5-12-19.	13-12-19	2-1-1920.
3.	B.G. Ramakrishnaiengar	71 to 75	15-7-19	18-7-19	(b) do	26-9-19	334 dated 15-10-19.	29-10-19.	14-11-19.	26-11-1919. (ackd. 1-12-19.)
4.	B. Garudachar	58 to 62	14-8-19	22-8-19	Opinion of Govt. Advocate called for on 30-10-19.	3-11-19	320 dated 13-10-19. (Cashed at Try. 20-10-19)	4-11-19.	14-11-19.	17-11-1919. (ackd. 22-11-19)
	(Bonds drawn in favour of Mr. Garudachar which were submitted for Dewan's signature on 29-9-19, were returned for resubmission after obtaining Govt. Advocate's opinion)									
5.	B. Seethamma	160 to 165.	15-7-19.	18-7-19.	(a) As above. (b) for signature being attested and for certificate from a court of Law.	(a) 24-7-19. (b) 26-9-19 & 25-10-19. Opinion of Govt. Advoate recd. on 6-11-19.	359 dated 31-10-19.	8-12-19	13-12-19.	2-1-1920.
	(B. Seethamma in this case, was appointed guardian of the children of B. Narasimhiengar by Court, and one of them having attained the age of majority, the matter was under correspondence.)									

P. T. O.

	Name of party tendering notes for conversion.	Nos. of bonds tendered.	Date of rect. of bonds. Upper halves.	Lower halves.	When returned a n d Why	When recd. back.	No. & date of cheque for interest.	Date of submission of new bonds to Dewan. for signature	When signed by the D e w a n.	Date on which new bonds were despatched to the Treasury.
6.	B. Seethamma	170 to 172.	15-7-19.	18-7-19	(a) & (b) Vide item No.5 above.	(a) 24-7-19 (b) 26-9-19 & 25-10-19. Opinion of Govt. Advocate recd. on 6-11-1919.	336 dated 15-10-1919.	8-12-19.	13-12-1919.	2-1-1920.
7.	B.Sitarama Iyengar.	166 to 169	15-7-19.	18-7-19.	(b) for proof of age of majority.	(b) 26-9-19 Opinion of Govt. Advocate recd. on 27-10-19.	356 dated 27-10-1919.	5-12-[redacted]	13-12-1919.	2-1-1920.

7-1-20

Serial No.

4595

32 I agree with the Second Member.

33 The argument of the Financial Secretary is rather strange. He says he postponed the payment of what was perfectly practicable, i.e., the payment of interest on the due date simply because the Notification promised something impracticable, i.e., the delivery of the Notes at the same time. There was surely no reason to postpone paying interest to holders because the new Notes were not ready. An estimate of the compensation payable to Mr. Garudachar may be sent up. Are there many cases of this nature?

68 dt 1920 1899 12/1/20 A

Mes

12.1.20.

34 To the Comptr for kindly furnishing the information required at A

Mes

12.1.20

R 16-1-20

R 16-1-20

Finl Secy 6-FEB 1920

35

Nos 178/R

No.218/CL. dated 5-2-1920.

2 661

A statement showing the amount of compensation is submitted. The interest has been calculated for one month i,e., October 19 and the rate adopted is 4% as the money could have earned only 4% if it had been deposited in the Savings Bank on the 1st October.

2. Of the persons whose names have been noted in the statement No.4 (B. ~~Sringkaiongar~~ Singaiengar) and No.6 (B. Seethamma and B. Sitharama Iyengar jointly) cannot claim compensation

NOTE—Contn. sheet.

Serial No.

compensation, as full information required to prove their title to receive interest was not received before the close of September 1919. As regards No.5 (B. Sitharamaiengar) although the information due was furnished before the close of September 1919, immediate payment of interest was not possible as the opinion of the Government Advocate had to be taken about the validity of the title produced by him. It is a matter for consideration whether compensation has to be paid in this case also.

3. In regard to the query "Are there many cases of this nature"? in the orders of the Dewan dated 12th January 1920, it is submitted that payment of interest on all the bonds received for conversion was made only from the 13th October '19 onwards by means of preaudit cheques. Mr. Garudachar's complaint re the delay in the payment of interest is the only one so far received, but if his claim is allowed others are likely to follow.

Comptroller.

DEWAN'S OFFICE.
Recd. on FEB 10 1920
Reg. No. 5454

MSR/5-2.

NOTE—Contn. sheet.

Statement showing the compensation interest in regard to the 4% bonds tendered for conversion by Mr. Garudachar and his relatives.

No.	Name of Party	No. of Cheque	Date of Cheque	Amount of Cheque (Rupees)	Date of acknowledgment of the cheque by Shimoga District Treasury	Interest at 4%	
				Rs		R as p	
1.	B.G. Ramakrishnaiengar	Lk 334	15.10.19	162/-	17.10.19	0-8-8	
2.	Kamalamma	Lk 335	15.10.19	36/-	—do—	0-1-11	
3.	B. Seetamma	Lk 336	15-10-19	136/-	—do—	0-7-3	
4.	B. Singaraiengar	Lk 355	27.10.19	186/-	3.11.19	0-9-11	
5.	B. Sitaramiengar	Lk 356	27.10.19	148/-	—do—	0-7-11	
6.	B. Seetamma and B. Sitaramiengar jointly	Lk 359	31.10.19	186/-	—do—	0-9-11	
7.	B. Garudachar	Lk 320	13.10.19	424/-	13.10.19	1-6-7	
	Total					R 4-4-2	

Lk
5.2.20

6738

G. R. S. III-2]

General and Revenue Secretariat.

G 7 File No. 264. of 191 8

Serial No.	
38	Subo with draft. Secy 13/2/20 Hsun 18 16/2
2345 5/2	Secy 14/2 39 Secy Secy G. 2 20 18 21/2
45	Do Secy B. Gavindachari Bombay Secy to Comptr No. H 5035 D: 21.2.20 States that the Comptroller has been authorised to pay interest at the Savings Bank rate. ~~Copy to Comptr~~

NOTE—Contn. sheet.

D.O.No.CL 159.

Office of the Comptroller in Mysore,

Bangalore, 4th November 1919.

My dear Sir,

Your D.O. No.132 of 13th ~~October~~ 1919.

I enclose for your information copies of my letter No.141 CL dated the 18th October 1919 to the Government Advocate and of his reply No.109 dated the 30th October 19 on the subject. It will be seen from the Government Advocate's letter that it is safe to issue the Notes of the New Conversion Loan, in favour of only those from whom the Notes of 4% Notes of 1906-1907 have been received for conversion.

The batch of the Notes of the New Conversion Loan relating to such cases which was received back from the Secretariat is accordingly resubmitted to-day for favour of obtaining the Dewan's signature.

Yours sincerely,

M. N. Krishna Rao Esq., B.A.,
Offg. Financial Secretary
to Government, Bangalore.

CV/4-11

Letter No.141 CL dated the 18th October 1919 from the Comptrolle in Mysore, to the Government Advocate, Bangalore.

======

I have the honour to state that in connection with the issue of the New Conversion Loan of 1919-20 applications have been received from some, ~~who~~ holding bonds of the 4% State Loan of 1906-07 for issuing the New Notes in favour of persons other than the holders thereof. The form of the receipt given by the Treasury at which the notes are tendered for conversion requires their being surrendered by the holder at the time the new bonds are received by him from the Treasury. This point has been made clear in this office Notification No.CL.703 dated the 4-8-19, published in the issues of the Gazette prior to 30-9-19. The request to issue new notes in favour of other than the holders appears, in all these cases, in the application for conversion or at foot on the reverse of each bond, and are not covered by regular endorsements in the form "Pay so and so or order" I request to be favoured at a very early date with your opinion as to whether such applications are free from legal difficulties as regards (1) the position of Government in regard to the issue of new bonds in favour of other than holders of the original bonds and (2) the treasury officers who have to deliver the new bonds to the parties in whose favour they are issued. I send for reference a few such bonds with the applications received with them

As new bonds are required to be issued immediately, I request the favour of an early reply.

" Copy "

S. Subba Rao

for Superintendent, Comptroller's Office,
Records Section.

CV/4-11

8.11.19

Copy of letter No.109 dated 30th October 1919, from the Government Advocate in Mysore, Bangalore, to the Comptroller to the Government of Mysore, Bangalore.

=========

In reply to your letter No.141 dated the 17th October, 1919, I have the honor to state that on a proper construction of the terms of the Notification relating to the issue of the new Conversion Loan of 1919-20, I find that the new bonds cannot be given to any persons other than those expressly named or mentioned in the receipt given in form No.L-2, (as prescribed in the Notification), by the officer receiving the old Promissory Notes tendered for conversion.

The effect of clause 4 and of the various forms prescribed in the notification under reference, is that it is the holder of the old note that has to apply for the new note or notes and that the ad interim receipts have to be issued in the name of such holder. But if, as a matter of fact, the holders of the old Promissory Notes have expressly consented to accept the new Notes in the names of some others and have secured receipts in form No.L-2 in the names of such other persons, then it is these latter persons in whose names the receipts stand that become entitled to get the new Promissory Notes. If the Officer receiving the old Notes is satisfied that the true holder of the notes has made the endorsement on the old note and has secured the receipt in the names of others, I do not think that there would be any legal difficulty in issuing the new Bonds in the names of such others, provided that such persons happen to be those in whose names the receipts stand.

But in all cases special care should be taken to see that the new Promissory Notes are prepared in the names of the very persons in whose name or names the receipt given in form L-2 stands, and in all cases of doubt, they should be prepared in the name or names of the holder of the previous note or notes.

The enclosures received with your letter under reply are herewith returned.

==========

S. Subba Rao
for Superintendent, Records Section,
Comptroller's Office.

88
12.11.19

D.O.No.132.

Financial Secretary's Camp,

Lakshmipram, Mysore, the 13th Oct. 1919.

My dear Mr. Satyaraj Chetty,

I have your D.O.No.764/Books. dated the 11th instant. As regards para 2 thereof, I would request ycu to obtain the Government Advocate's opinion. If the request of Mr. Garudachar and other similar applicants is admissible and does not give rise to a n y legal difficulty, I think we have to comply with it.

Yours sincerely,

T. Satyaraj Chetty, Esq., B.A.

Do. No. 764
Books

GOVERNMENT OF MYSORE

(illegible)
Bangalore
11th October 1919.

My Dear Sir,

I got your two letters regarding payment to Mr. B. Garudachar, Advocate, Shimoga, of the interest due on his bonds for the half year ending 30th September 1919 yesterday, just when I was about to leave Mysore. The cheque has been issued this day. The amount of interest is Rs.424/- and the Savings Bank interest which Mr. Garudachar is likely to loose by the delay complained of is about Rs.2/-

In regard to the issue of the new note in favour of a person other than the holder at the request of the latter no special form of endorsement for tendering notes for conversion in such cases has been prescribed. The conversion notes have to be issued in the name of the holder of the original note whose title to the claim in respect thereof has been established either by the note having been issued in his name or by endorsement in the note in his favour. Whether an application from the holder for issue of the conversion notes in the name of

others mentioned by him gives the latter a title to ~~its~~ the claim in respect of the conversion notes and absolves Government of the liability to meet any other claims that may arise is a point upon which definite orders are necessary. It seems to me that we should not undertake to act on such applications when sufficient facilities exist for ~~its~~ the holders transferring his ~~notes~~ rights by an endorsement on either the old or the new note.

Yours sincerely,

I Satyamurthy

M.L. Krishna Rau, Esqr., B.A.,
Financial Secretary,
Camp, Lakshmipuram,
MYSORE.

D.O. No. 130

Financial Secretary's Camp,

Lakshmipuram, Mysore, 10th Octr. 1919.

My dear Mr. Satyaraj Chetty,

I herewith send an extract from a letter of Mr. B. Garudachar, Advocate, Shimoga, for your information. Is there no provision for issuing notes in the names of those nominated by the tenderers of old notes ? I think there is a special form of endorsement for tendering notes for conversion in cases in which new notes are to be issued in favour of them. I shall be obliged if you will have the complaints of Mr. Garudachar enquired into and let me know the difficulty in complying with such ~~reports~~ requests. If there is no difficulty, arrangements may be made to issue new notes in favour of persons nominated by Mr. Garudachar after getting necessary information from him, or after requiring him to tender the old notes with the prescribed form of endorsement.

Yours sincerely,

T. Satyaraj Chetty, Esq., B.A.

D.O. No.

36

Extract from a letter dated 8th October 1919 from Mr. B.Garudachar,B.A.,B.L., Advocate, Shimoga, to the Financial Secretary to Government, Mysore.

** ** **

When we authorised the Comptroller in our applications for surrendering our old notes, for conversion into new ones, to issue the notes in the names of persons therein mentioned, certain notes of some denominations, we are intimated that they cannot do that b u t only ~~item~~ Issue in the names of the previous holders and that the previous holders should transfer them to the names of others. I do not see the reason for such a course nor can I understand the difficulty in following o u r direction in issuing the new notes. **

** * * **

D.O. 128

37

Financial Secretary's Camp,

Lakshmipur, Mysore, the 10th Octr. 1919.

S i r,

I have received your letter of the 8th instant. A cheque for interest due on your old bonds has either been sent to you or will very soon be sent to you.

As regards issuing new notes, (in the names of persons nominated by the present holders, I shall - have the matter enquired into.

Yours sincerely,

B. Garudachar, Esq., B.A.,B.L.,

Advocate, S H I M O G A.

DRAFT. No FC2831
8/11/19

To

B. Garudachar, Esq., B.A.,B.L.,

Advocate, S H I M O G A.

S i r,

In continuation of para 2 of my letter No. 128 dated 6-10-19 I am directed to state that the terms of the Conversion Loan of 1919-20 do not provide for the issue of new notes to persons other than the holders of old notes who obtain in their names receipts in form No. 2 for tendering the old notes for conversion ~~into the new~~. and for delivery thereof of new notes.

I have the honour to be,

S i r,

Your most obedient servant,

7/11/19

Offg. Financial Secretary.

D.1603

Letter dated 10th ~~October~~ November 1919 from Mr. B. Garuda Char, Advocate, Shimoga, to the Offg. Financial Secretary to Government.

****

I am much obliged for your letter dated 8th November which reached me to day intimating that new notes to persons other than the holders of old notes cannot be issued under the provision for conversion of notes. I am still of opinion that you can issue the converted notes in the names of the persons named by us. You are not issuing new notes in others names after getting any money therefor. You will be issuing the converted notes instead of in my name in the names of my nominees and that is all. As for the receipt form No. L.2., I beg to state that that does not prevent you from issuing such notes when the holders of old notes authorise you to do so. You are issuing the same notes converted instead of all in my name, some in my name and some in the names of my nominees and that is all. You will be issuing new notes only when you open the loan to others and issue new notes for new funds supplied by them. The interpretation now put is in my humble opinion too narrow and unreasonable. Pardon me for saying so.

Please reconsider the question in the above light and favour me with a reply.

May I ask what have you done for compensating us for losses of interest on the sums due to us on 1st October and which were paid to us on 20th October 1919 and 31st October 1919 and even later and what about this construction of statute and the terms of the pro-notes under which you as representing the Government are bound to pay us interest on 1st October 1919. I hope this will be properly understood and we are prpperly compensated. I have a great mind to test the question in a court of law for the sake of the principle involved and not for the sake of greed of money, and I wish to publish all my correspondence if permitted, with the authorities. I shall ~~even~~ once more write to the Dewan and finally settle the course. Please do not be offended with me when I mention all this to you frankly so that I may give you an opportunity to set the matters right.

copy

D.O.No. K2862 — 97 26 48 43 40

Financial Secretariat,

Bangalore, the 11th Nove,ber 1919.

My dear Mr. Satyaraj Chetty,

I send herewith another letter of Mr.Garudachar of Shimoga

The question of issuing new notes in the names of nominees of old holders may, I think, be considered as closed and we can give a suitable reply to him. It his is his claim for compensation for delay in payment of interest which requires consideration.. He is really serious about it and threatens to test his right in a court of Law. I shall be obliged if you will kindly explain the exact position to the Government Advocate and obtain his opinion on the position taken up by Mr. Garudachar. An early reply has to be sent to him and I shall therefore be obliged for prompt action in the m a t t e r.

I am sending Mr. Garudachar's letter in original and it may be returned with your reply to this letter.

Yours sincerely,

T. Satyaraj Chetty,Esq.,B.A.

D 1739 41

D.O.No.Cl.174

Office of the Comptroller in Mysore,

Bangalore, 19th Nov. 1919.

My dear Sir,

Your D.O. No.Fl.2862 of the 11th instant.

I enclose for your information copies of this office note dated the 12th November 1919 sent to the Government Advocate and of the Note dated the 17-11-19 containing his reply re. the claim of Mr. B. Garudachar for compensation for the alleged delay in the payment of interest on the Promissory Notes tendered for conversion for the half year ending 30th September 1919. The Government Advocate is of opinion that Mr. Garudachar's claim is not sustainable on any ground.

Mr. Garudachar's letter of the 10th instant received with your D.O. is herewith returned.

Yours sincerely,

M. N. Krishna Rao Esq., B.A.,
Offg. Financial Secretary
to the Government, Bangalore.

CV/19-11

I

4 ℓ

Financial Secretary's D. O. No.Fl.2862 dated 11th November 1919 re the claim of Mr. B. Garudachar, B. A., B.L., for payment of compensation on account of the late payment of interest on 4% State Loan Bonds tendered for conversion for the half year ending 30th September 1919.

@@@@@@@@@@@@@@

Interest on 4% State Loan Bonds is ordinarily payable on 1st April and 1st October every year. In regard to the payment of interest on the notes tendered for conversion, it is stated in Notification No.Fl.5825/G.F.119-17-2 dated 26th April 1919 published in the Gazette that "those who desire to avail themselves of the privilege of conversion should tender their notes for conversion not later than the 31st July 1919, when interest will be paid on them at 4 per cent up to the 30th September 1919 inclusive," etc. Subsequently when the time for the presentation of 4% notes for conversion was extended up to 30th September 1919, a fresh Notification No.Fl.708/G.F.264-18 dated 30th July 19 was published in the Gazette containing the same terms as the previous notification with the date "31st July 1919" altered to "30th September 1919." In this office Notification No.C.L.4 dated 8th May 1919 published in the Gazette, it is stated that "interest at the previous rate of 4 per cent per annum due for the half year ending 30th September 1919 will be paid by cheques drawn in favour of holders which will be made over to them at the time of delivery of the new Promissory Notes." This is retained in Notification No.C.L.103 dated 4th August 1919 published in the Gazette when the time for tendering the notes for conversion was extended.

2. The idea that was originally entertained was that the new notes and the cheques for the interest due to the holders of the notes tendered for conversion had to be sent simultaneously from this office in accordance with the notification referred to above, as also from the form of receipt (L-2) to be given by the parties when the new notes were received by them. On account of several causes the issue of the new notes could not be made on 1st

October

October 1919. On the complaint made on 2nd October 1919 by Mr. Garudachar to the Dewan of the non-payment of interest for the half year ending 30th September 1919 on 1st October 1919 and of the consequent loss (of interest that would have accrued if the amount of interest were invested in the Savings Bank) entitling him to compensation to Government, it was ordered by the Financial Secretary on 6th October 1919 that as there would be some delay in the issue of the new bonds, interest on the bonds tendered for conversion for the previous half year ending 30th September 1919 might be paid at once. The office having been closed except for very urgent work during the Dasara Holidays, a cheque post dated 13th October 1919 was sent on 11th October 1919 to the Treasury Officer at Shimog for delivery ~~of~~ to Mr. Garudachar, to whom intimation was sent in the matter. The cheque, however, was not cashed on 13th October 19 by the treasury under a mis-apprehension, and was received back from Mr. Garudachar in this office on 16th October 1919. It was sen to him by registered post on 17th October 19 and the treasy was instructed to cash the cheque immediately on presentation.

3. In regard to the delay complained by Mr. Garudachar re the payment of interest on the bonds tendered for conversion by his daughter and sons, his brother's wife and her son, it was found that the endorsements on the bonds did not satisfy the requirements of th rules framed in regard to the payment of interest and renewal of the bonds. The notes tendered for conversion by Kamalamma, Singariengar and Ramakrishnaiengar, the children of Mr. Garudachar were issued in favour of Mr. Garudachar as guardian of the respective parties and there was no endorsement thereon made by the Treasury Officer to the effect that the minors had attained the age of majority, as required by article 357 Mysore Account Code, and the signature of Kamalamma required to be attested by two witnesses as per rule 2 of the rules published under Notification No.Fl.3540/G.F.350-09-3 dated 26th January 19 under the Mysore Government Securities Regulation. Proof of Kamalamma and Ramakrishnaiengar having attained the age of majority was first received about the close of September 1919 and cheques for interest due to them were sent on 15th October 1919.

Proof

Proof to show that B. Singaraiengar had attained the age of majorit was received a month later, and a cheque dated 27th October 1919 for the interest payable to him was sent on 29th October 1919.

4. The notes tendered for conversion by B. Seetharamaiengar the son of Mr. B. Narasimha Iyengar, the brother of Garudachar, - were originally issued in favour of Mr. B. Narasimha Iyengar as guardian of B. Seetharamaiengar. The Guardianship Certificate - granted by the Court in this case not being quite clear, the - opinion of the Government Advocate was obtained (after proof of the applicant having attained the age of majority was received) and a cheque dated 27th October 1919 for the interest due to him was sent on 29th October 1919.

5. Of the notes tendered for conversion by B. Seethamma, wife of Mr. B. Narasimha Iyengar some were ~~tendered~~ issued in the name of the latter as guardian of minor Narayana Iyengar. On the death of - Mr. B. Narasimha Iyengar, a Succession Certificate is respect of these bonds was obtained in favour of Seethamma. A copy of the - Succession Certificate was received about the close of September 19 and a cheque for the interest due was issued on 15th October 1919 after her signature on the bonds was attested by two witnesses. A Succession Certificate in respect of the other bonds tendered by - B. Seethamma was granted by the Court in favour of her sons B. Sitaramaiengar, B. Krishna Murthi, and Narayana Iyengar with her as - guardian. As B. Sitaramaiengar had since attained majority, the - interest could not be paid to the applicant, and after consideration of the facts of the case, a cheque in favour of B. Sitaramaiengar and B. Seethamma (guardian of the other minors) was issued on 31st October 1919.

6. The contention of Mr. Garudachar is that interest on the Promissory Notes tendered for conversion for the half year ending - 30th September 19 ought to be paid on 1st October, although that day was a holiday, as it was a debt due from Government, irrespective - of what was stated in this office notifications of 8th May 1919 and 4th August 1919. In regard to the cases in which evidence of title

proof

proof of the applicants having attained the age of majority, and attestation of signatures of applicants who were females, were required by this office to be attended to, it is stated that necessary documents were produced by Mr. Garudachar to satisfy the requirement of law before the Treasury Officer and that as payment of interest was made by the treasury regularly hitherto, there ought not to have been any delay on the part of this office im the payment of interest As payment of interest is to be made under section 78 of the Negotiable Instruments Regulation only to the holders of Promissory Notes tendered for conversion, it seems that a reasonable time, according to the usual mode of dealing with such instruments, is allowable to ascertain whether the parties are holders of the notes and whether they satisfy the requirements of law either to negotiate them or to receive interest thereon -Vide section 105 of the Negotiable - Instruments Regulation. There has been no undue delay on the part of this office in dealing with these cases.

7. If it is considered, that in these cases the parties are entitled to compensation, other cases of similar nature may be urged If approved, the connected papers may be sent with this note to the Government Advocate confidentially for an expression of his opinion in the matter.

==========

MSR/19-11.

8/11/29

II

The previous promissory notes of 1906 no doubt clearly provide for the payment of half-yearly interest due thereon on the 1st April and 1st October every year and, under ordinary conditions, Mr. Garudachar would have been entitled to payment of the interest, due for the half-year ending the 30th September on the 1st October.

But in the case under reference, there is an important point for consideration which, in my opinion, has the effect of taking away the force of Mr. Garudachar's contention.

A The Notification dated 8-5-1919 issued by the Comptroller is in the nature of an offer to the public which, if accepted, binds the party who is desirous of securing the new bonds which carry a higher rate of interest in the place of the old bonds with only 4% interest. Such an acceptance can possibly be an acceptance of the terms in their entirety and not in part. This necessarily implies that Mr. Garudachar, when he elected to have the new bonds, also consented to accept the interest due on the old bonds up to the 30th September at 4% "by cheques drawn in favour of holders, which will be made over to them at the time of delivery of the new promissory notes." A The Notification does not guarantee delivery of the new notes on the 1st October and Mr. Garudachar cannot, therefore, as of right, claim the cheque on the 1st October, as the new notes are not yet ready for delivery.

If, there, he wants the new promissory notes and a rate of 5½% interest from the 1st October, he cannot at the same time exercise his right to get the half-yearly interest at 4% on the 1st October, as heretofore, as that has been superseded by the new contract under which he is to get the cheque at the time of delivery of the new bonds. If, on the other hand, he is anxious to get his interest on the 1st October and wants to insist

to insist on such right, he has necessarily to withdraw his application for converting the old pronotes into new, which means that he will have to forgo higher rate of interest and even in this latter case, I am not quite sure if he can claim interest on interest.

If, as a matter of fact, the cheques have been sent to him much earlier, it is only as a concession on which he cannot base a right.

His claim is therefore unsustainable.

(Sd/-) K. Shankaranaryana Rao,
Government Advocate,
17-11-19.

CV/19-11

19-11-19

D 1603

Shimoga
10-1-19

M. R. Krishna Rao Esqr Ba
Offg. Financial Secretary
To the Govt of His Highness
the Maharaja of Mysore
Bangalore

Sir I am much obliged for your
letter of 8th november which reached
me day before yesterday stating that new notes
to persons other than the holders of old
notes cannot be opened under
the provision for conversion of
notes. I am still of opinion
that you can open the converted
notes in the names of the persons
named by us. You are not opening
new notes in others names
after settling any money matter
You will be opening the converted
notes instead of in my name in
the names of my nominees
which is able to do this be exempt from
No 2. 2. Hope you take this

that does not prevent you from opening
such bills when the holders of such bills
authorise you to do so - You are
opening the same bills consequent
instead of all in my name. some
some in my name & some in the
names of my nominees - & that
is all - & you will be opening
new bills only when you open the
loan letters & issue new bills
for new funds supplied by them.
The interpretation now put is
in my humble opinion too narrow
& unreasonable. Pardon me for
saying so.

Please reconsider the
question in the above light-
& favour me with a reply.

May I ask what have you
done for compensating us
for losses of interest on the
demand drafts sent 1st October
& which were paid by us on 20-10-19
& 31-10-19 & even later
& what about the construction of

COMPTROLLER'S OFFICE

(CIVIL BRANCH.)

8

ORDERS.

NOTES.

IV.

G 264-18-42

Stabilise the terms of the Protocol under which you as Deputies entering the Civil and bound to pay its interest any longer. I hope this will be properly understood we are not seeking compensation. I have a great mind to test the question in a Court of Law for the sake of the principle involved and for the sake of speedy money. I wish to publish all my Correspondence if permitted, with the authorities should ever have time to look down & finally settle the Canal. Please do not be offended with me when I mention all this to you from Kg Scotland I may have you an opportunity to settle matters right.

Yours
obedient Servt
B Gandachar
Aide de Camp

49

G. R. S. VI—G/32]

Clean draft

SUBJECT.....

.....

.....

Diary No. of letter replied to.....

Section 47

File No. 2[illegible]4-18

Serial No. 45

GENERAL AND REVENUE SECRETARIAT,

( )

, the *191* .

No. H 5035

Date of issue 21/2/20

Signed by [illegible]

To

Mr B Ramdachar

Advocate Shimoga

Sir,

With reference to your letter dated 10th Novr 1919 ~~Claiming~~ regarding Compensation for delay in payment of interest due for the half year ending 30.9.19. on certain 4% promissory notes of the Mysore State loan of 1906. Tendered by you for conversion into 5½% Loan of 1919, I am directed to state that ~~Govt have decided~~ the Comptr has been

over.

[illegible]
21/2

~~To grant you Compensation by~~ Authorised to pay ~~You~~ interest at the Savings Bank rate with effect from 1st October 1919 on the amounts paid to you as interest on the said promotes and deposited by you in the Savings Banks. This is calculated to amount to £4-4-2 & the Comptroller has accordingly been instructed to pay you the same

I have &c

for Civil Secy.

Copy to Comptroller for information & ~~compliance~~ with reference to his No. 178. 48.C1

List of enclosure

£4-4-2 may be amongst to be paid early

For H. Lacy

Copied by

Examined by

WD 86—GPB—60,000—15-11 16